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**WILLOUGHBY & HOEFER, P.A.**

ATTORNEYS & COUNSELORS AT LAW  
930 RICHLAND STREET  
P.O. BOX 8416  
COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY  
JOHN M.S. HOEFER  
ELIZABETH ZECK\*  
RANDOLPH R. LOWELL  
NOAH M. HICKS II\*\*  
BENJAMIN P. MUSTIAN  
M. McMULLEN TAYLOR

AREA CODE 803  
TELEPHONE 252-3300  
TELECOPIER 256-8062

TRACEY C. GREEN  
SPECIAL COUNSEL

August 6, 2007

\*ALSO ADMITTED IN TX  
\*\*ALSO ADMITTED IN VA

**VIA HAND-DELIVERY**

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

PROCESSED  
2007 AUG -6 PM 3:46  
SO PUBLIC SERVICE  
COMMISSION

RE: Application of Utilities Services of South Carolina, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service.

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Utilities Services of South Carolina, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing and hearing. By copy of this letter, I am serving a copy of these documents upon the Executive Director of the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copies that are enclosed and returning it to me via our courier.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

**WILLOUGHBY & HOEFER, P.A.**



Benjamin P. Mustian

BPM/twb  
Enclosures  
cc: Honorable C. Dukes Scott

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-286 -WS**

80 PUBLIC SERVICE  
COMMISSION  
2007 JUN -6 PM 3:47  
FILED

IN RE: )  
)  
Application of Utilities Services of )  
South Carolina, Inc. for adjustment of )  
rates and charges and modifications to )  
certain terms and conditions for the )  
provision of water and sewer service. )  
\_\_\_\_\_ )

**APPLICATION**

Utilities Services of South Carolina, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing water and/or sewer services to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2005-217-W/S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertozi, CPA  
Chief Financial Officer  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

John M. S. Hoefler, Esquire  
Benjamin P. Mustian, Esquire  
Willoughby & Hoefler, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

### **REQUEST FOR RATE RELIEF**

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. RR. 103-512.4.A and 103-712.4.A (1976, as amended), Applicant requests that the Commission approve the monthly water and sewer service charges set forth in the eight (8) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A." Also, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976, as amended), Applicant proposes to add language providing that, for water service to customers not described in the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities, 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), such as irrigation service, the tap fees shall be the same as those for one (1) SFE.

## SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of January 1, 2006 to December 31, 2006 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B," pages 1 through 11. These financial statements include the following:

- a. Balance Sheet (Schedule A);
- b. Current and pro forma income and expense statements (Schedule B), and
- c. Rate base and rate of return information (Schedule C).<sup>1</sup>

Applicant also submits, as Exhibit "B" pages 12 through 16, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
- e. Water and sewer proposed revenues (Schedule E)
- f. Schedule of current and projected customers (Schedule F)

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2006).

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<sup>1</sup>These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

9. A map depicting Applicant's current service area is on file with the Commission.
10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4.A and R. 103-712.4.A and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>2</sup>

### **NEED AND JUSTIFICATION FOR RATE RELIEF**

11. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates are also necessary in order that the Applicant may comply with standards and regulations set by the South Carolina Department of Health and Environmental Control or other environmental regulatory authorities. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services.

### **REQUEST FOR RATE BASE TREATMENT**

12. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B," Applicant is entitled to have

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<sup>2</sup>Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available copies of the Company's depreciation workpapers in the course of the audit in

the reasonableness of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

**WHEREFORE**, having fully set forth its Application, Utilities Services of South Carolina, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.



John M. S. Hoefer  
Benjamin P. Mustian  
**WILLOUGHBY & HOEFER, P.A.**  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
803-252-3300

Attorneys for Utilities Services  
of South Carolina, Inc.

This 6<sup>th</sup> day of August, 2007.  
Columbia, South Carolina

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the instant case. Also, in accordance with Order No. 2005-18, Docket No. 2005-83-A, a proposed notice of filing is being transmitted with the instant application.

EXHIBIT A

UTILITIES SERVICES OF SOUTH CAROLINA, INC.  
PROPOSED SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges  
Residential

Basic Facilities Charge per single family house, condominium, mobile home or apartment unit: \$21.51 per unit\*

Commodity Charge: \$5.83 per 1,000 gallons or 134 cft

\*Residential customers with meters of 1" or larger will be charged commercial rate

Commercial

Basic Facilities Charge by meter size:

1"	o	\$53.79
1.5"	o	\$107.60
2"	o	\$172.16
3"	o	\$344.32
4"	o	\$538.00

Commodity Charge: \$5.83 per 1,000 gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity for distribution and resale by the Company, the following rates apply:

Residential

Basic Facilities Charge per single family house, condominium, mobile home or apartment unit: \$21.51 per unit\*

Commodity charge: \$3.34 per 1,000 gallons or 134 cft

\*Residential customers with meters of 1" or larger will be charged commercial rate

Commercial

Basic Facilities Charge  
by meter size:

1"	o	\$53.79
1.5"	o	\$107.60
2"	o	\$172.16
3"	o	\$344.32
4"	o	\$538.00

Commodity charge: \$3.34 per 1,000  
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers purchased water charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of purchased water justifying the increase in the amount of purchased water charges sought to be passed-through to affected customers. In the event that an increase in the amount of purchased water charges to be passed through to customers rate is found by the Commission to be so justified, USSC will then be required to give customers an additional thirty days notice before the increase in the purchased water charges to be passed through may be put into effect.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

Tap Fees \$500 per SFE\*

3. Account Set-Up and Reconnection Charges

a. Customer Account Charge - for new customers only.

All Areas \$25.00

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2006), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61—58.7.F.8.(Supp. 2006), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30<sup>th</sup> of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

\* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. For water service to customers not described in R. 61-67, such as irrigation service, the tap fees shall be the same as those for one (1) SFE.

SEWER

## 1. Monthly Charges

Residential - charge per  
single-family house, condominium,  
villa, or apartment unit: \$46.11 per unit

Mobile Homes: \$33.13 per unit

Commercial: \$46.11 per SFE\*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

## Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house,  
condominium,  
or apartment unit \$29.68 per unit

Commercial - per single-family  
equivalent \$29.68 per SFE\*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers rate is found by the Commission to be so justified, USSC will then be required to give customers

an additional thirty days notice before the increase in the treatment charges to be passed through may be put into effect.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

Tap Fee

\$500 per SFE\*

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of six dollars (\$6.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas	\$25.00
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A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

\*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

ASSETS

Plant In Service		
Water	\$	10,778,046
Sewer		<u>356,061</u>
Total	\$	<u>11,134,106</u>
Accumulated Depreciation-Water	\$	(1,883,784)
Accumulated Depreciation-Sewer		<u>(50,529)</u>
Total	\$	<u>(1,934,313)</u>
Net Utility Plant	\$	<u>9,199,793</u>
Plant Acquisition Adjustment-Water	\$	1,200,820
Plant Acquisition Adjustment-Sewer		<u>0</u>
Total	\$	<u>1,200,820</u>
Construction Work In Process-Water	\$	390,787
Construction Work In Process-Sewer		<u>19,442</u>
Total	\$	<u>410,230</u>
Current Assets		
Cash	\$	972
Accounts Receivable - Net		485,771
Other Current Assets		<u>5,401</u>
Total	\$	<u>492,144</u>
Deferred Charges	\$	<u>196,952</u>
TOTAL ASSETS	\$	<u><u>11,499,940</u></u>

LIABILITIES AND OTHER CREDITS

Capital Stock and Retained Earnings		
Common Stock and Paid In Capital	\$	7,010,553
Retained Earnings		<u>(419,312)</u>
Total	\$	<u>6,591,241</u>
Current and Accrued Liabilities		
Accounts Payable-Trade	\$	42,704
Taxes Accrued		285,000
Customer Deposits		113,812
Customer Deposits - Interest		15,097
A/P - Assoc. Companies		<u>3,639,332</u>
Total	\$	<u>4,095,946</u>
Advances In Aid of Construction		
Water	\$	0
Sewer		<u>0</u>
Total	\$	<u>0</u>
Contributions In Aid of Construction		
Water	\$	107,639
Sewer		<u>0</u>
Total	\$	<u>107,639</u>
Accumulated Deferred Income Tax		
Unamortized ITC	\$	0
Deferred Tax - Federal		680,037
Deferred Tax - State		<u>25,077</u>
Total	\$	<u>705,114</u>
TOTAL LIABILITIES AND OTHER CREDITS	\$	<u><u>11,499,940</u></u>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	\$ 2,627,723	\$ 35,794 [a]	\$ 2,663,517	\$ 1,393,267 [a]	\$ 4,056,784
Service Revenues - Sewer	173,215	2,985 [a]	176,200	20,079 [a]	196,279
Miscellaneous Revenues	77,521	-	77,521	-	77,521
Uncollectible Accounts	(30,290)	(419) [b]	(30,709)	(15,321) [b]	(46,030)
<b>Total Operating Revenues</b>	<b>\$ 2,848,170</b>	<b>\$ 38,360</b>	<b>\$ 2,886,530</b>	<b>\$ 1,398,025</b>	<b>\$ 4,284,554</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	\$ 535,112	\$ 154,024 [c]	\$ 689,136	\$ -	\$ 689,136
Purchased Power	156,995	-	156,995	-	156,995
Purchased Sewer & Water	136,075	(67,429) [n]	68,646	-	68,646
Maintenance and Repair	308,500	2,113 [o],[k]	310,613	-	310,613
Maintenance Testing	30,395	1,342 [k]	31,737	-	31,737
Meter Reading	23,371	1,031 [k]	24,402	-	24,402
Chemicals	86,151	3,802 [k]	89,953	-	89,953
Transportation	128,793	6,440 [l]	135,232	-	135,232
Operating Exp. Charged to Plant	(166,343)	(9,341) [c]	(175,684)	-	(175,684)
Outside Services - Other	86,574	-	86,574	-	86,574
<b>Total</b>	<b>\$ 1,325,622</b>	<b>\$ 91,982</b>	<b>\$ 1,417,604</b>	<b>\$ -</b>	<b>\$ 1,417,604</b>
<b>General Expenses</b>					
Salaries and Wages	\$ 212,712	\$ 17,229 [c]	\$ 229,941	\$ -	\$ 229,941
Office Supplies & Other Office Exp.	170,028	7,504 [k]	177,533	-	177,533
Regulatory Commission Exp.	90,645	177,122 [d]	267,767	-	267,767
Pension & Other Benefits	141,548	12,999 [c]	154,547	-	154,547
Rent	11,524	509 [k]	12,032	-	12,032
Insurance	81,592	-	81,592	-	81,592
Office Utilities	41,685	1,840 [k]	43,525	-	43,525
Allocation Adjustment		(149,318) [m]	(149,318)	-	(149,318)
Miscellaneous	46,414	(3,617) [j]	42,797	-	42,797
<b>Total</b>	<b>\$ 796,148</b>	<b>\$ 64,267</b>	<b>\$ 860,416</b>	<b>\$ -</b>	<b>\$ 860,416</b>
Depreciation	\$ 269,073	\$ 3,449 [e]	\$ 272,521	\$ -	\$ 272,521
Taxes Other Than Income	427,337	10,985 [f]	438,322	16,112 [f]	454,434
Income Taxes - Federal	(149,143)	(56,475) [g]	(205,618)	459,486 [g]	253,867
Income Taxes - State	7,228	(38,148) [g]	(30,920)	69,096 [g]	38,176
Amort. Investment Tax Credit	(1,626)	-	(1,626)	-	(1,626)
Amortization of PAA	19,473	96,464 [e]	115,937	-	115,937
Amortization of CIAC	(863)	(780) [e]	(1,643)	-	(1,643)
<b>Total</b>	<b>\$ 571,478</b>	<b>\$ 15,495</b>	<b>\$ 586,973</b>	<b>\$ 544,694</b>	<b>\$ 1,131,667</b>
<b>Total Operating Expenses</b>	<b>\$ 2,693,248</b>	<b>\$ 171,744</b>	<b>\$ 2,864,993</b>	<b>\$ 544,694</b>	<b>\$ 3,409,686</b>
<b>Net Operating Income</b>	<b>\$ 154,921</b>	<b>\$ (133,384)</b>	<b>\$ 21,537</b>	<b>\$ 853,331</b>	<b>\$ 874,868</b>
Interest During Construction	\$ (34,435)	\$ 34,435 [h]	\$ -	\$ -	\$ -
Interest on Debt	434,735	(31,335) [i]	403,400	-	403,400
<b>Net Income</b>	<b>\$ (245,379)</b>	<b>\$ (136,484)</b>	<b>\$ (381,863)</b>	<b>\$ 853,331</b>	<b>\$ 471,468</b>

	Per Books	Pro Forma Adjustments		Pro Forma Present	Proposed Increase		Pro Forma Proposed
<b>Operating Revenues</b>							
Service Revenues - Water	\$ 2,627,723	\$ 35,794 [a]		\$ 2,663,517	\$ 1,393,267 [a]		\$ 4,056,784
Miscellaneous Revenues	49,991	-		49,991	-		49,991
Uncollectible Accounts	(28,506)	(388) [b]		(28,894)	(15,114) [b]		(44,009)
<b>Total Operating Revenues</b>	<b>\$ 2,649,209</b>	<b>\$ 35,405</b>		<b>\$ 2,684,614</b>	<b>\$ 1,378,153</b>		<b>\$ 4,062,767</b>
<b>Maintenance Expenses</b>							
Salaries and Wages	\$ 507,286	\$ 146,011 [c]		\$ 653,297	\$ -		\$ 653,297
Purchased Power	146,178	-		146,178	-		146,178
Purchased Water	136,075	(67,429) [n]		68,646	-		68,646
Maintenance and Repair	267,762	2,983 [o],[k]		270,745	-		270,745
Maintenance Testing	25,057	1,106 [k]		26,163	-		26,163
Meter Reading	23,371	1,031 [k]		24,402	-		24,402
Chemicals	81,671	3,605 [k]		85,276	-		85,276
Transportation	122,095	6,105 [l]		128,200	-		128,200
Operating Exp. Charged to Plant	(157,693)	(8,855) [c]		(166,548)	-		(166,548)
Outside Services - Other	82,072	-		82,072	-		82,072
<b>Total</b>	<b>\$ 1,233,874</b>	<b>\$ 84,557</b>		<b>\$ 1,318,431</b>	<b>\$ -</b>		<b>\$ 1,318,431</b>
<b>General Expenses</b>							
Salaries and Wages	\$ 201,651	\$ 16,332 [c]		\$ 217,982	\$ -		\$ 217,982
Office Supplies & Other Office Exp.	161,187	7,114 [k]		168,301	-		168,301
Regulatory Commission Exp.	85,932	167,911 [d]		253,843	-		253,843
Pension & Other Benefits	134,187	12,322 [c]		146,510	-		146,510
Rent	10,924	482 [k]		11,406	-		11,406
Insurance	77,350	-		77,350	-		77,350
Office Utilities	39,517	1,744 [k]		41,261	-		41,261
Allocation Adjustment	-	(141,553) [m]		(141,553)	-		(141,553)
Miscellaneous	44,001	(3,429) [j]		40,572	-		40,572
<b>Total</b>	<b>\$ 754,749</b>	<b>\$ 60,923</b>		<b>\$ 815,672</b>	<b>\$ -</b>		<b>\$ 815,672</b>
Depreciation	\$ 258,978	\$ 2,631 [e]		\$ 261,608	\$ -		\$ 261,608
Taxes Other Than Income	404,849	10,402 [f]		415,251	15,883 [f]		431,135
Income Taxes - Federal	(140,358)	(68,240) [g]		(208,598)	452,955 [g]		244,357
Income Taxes - State	6,802	(38,170) [g]		(31,368)	68,113 [g]		36,745
Amort. Investment Tax Credit	(1,572)	-		(1,572)	-		(1,572)
Amortization of PAA	19,473	96,464 [e]		115,937	- [e]		115,937
Amortization of CIAC	(863)	(780) [e]		(1,643)	- [e]		(1,643)
<b>Total</b>	<b>\$ 547,308</b>	<b>\$ 2,308</b>		<b>\$ 549,616</b>	<b>\$ 536,951</b>		<b>\$ 1,086,567</b>
<b>Total Operating Expenses</b>	<b>\$ 2,535,931</b>	<b>\$ 147,788</b>		<b>\$ 2,683,718</b>	<b>\$ 536,951</b>		<b>\$ 3,220,670</b>
<b>Net Operating Income</b>	<b>\$ 113,278</b>	<b>\$ (112,382)</b>		<b>\$ 896</b>	<b>\$ 841,201</b>		<b>\$ 842,097</b>
Interest During Construction	\$ (33,292)	\$ 33,292 [h]		\$ -	\$ -		\$ -
Interest on Debt	420,311	(32,019) [i]		388,292	-		388,292
<b>Net Income</b>	<b>\$ (273,741)</b>	<b>\$ (113,655)</b>		<b>\$ (387,396)</b>	<b>\$ 841,201</b>		<b>\$ 453,805</b>

	Per Books	Pro Forma Adjustments		Pro Forma Present	Proposed Increase		Pro Forma Proposed
<b>Operating Revenues</b>							
Service Revenues - Sewer	\$ 173,215	\$ 2,985 [a]		\$ 176,200	\$ 20,079 [a]		\$ 196,279
Miscellaneous Revenues	27,530	-		27,529.78	-		27,530
Uncollectible Accounts	(1,784)	(31) [b]		(1,815)	(207) [b]		(2,022)
<b>Total Operating Revenues</b>	<b>\$ 198,961</b>	<b>\$ 2,955</b>		<b>\$ 201,915</b>	<b>\$ 19,872</b>		<b>\$ 221,787</b>
<b>Maintenance Expenses</b>							
Salaries and Wages	\$ 27,826	\$ 8,013 [c]		\$ 35,839	\$ -		\$ 35,839
Purchased Power	10,817	-		10,817	-		10,817
Purchased Sewer	-	-		-	-		-
Maintenance and Repair	40,738	(870) [o],[k]		39,867	-		39,867
Maintenance Testing	5,338	236 [k]		5,574	-		5,574
Meter Reading	-	-		-	-		-
Chemicals	4,480	198 [k]		4,678	-		4,678
Transportation	6,697	335 [l]		7,032	-		7,032
Operating Exp. Charged to Plant	(8,650)	(486) [c]		(9,136)	-		(9,136)
Outside Services - Other	4,502	-		4,502	-		4,502
<b>Total</b>	<b>\$ 91,748</b>	<b>\$ 7,425</b>		<b>\$ 99,173</b>	<b>\$ -</b>		<b>\$ 99,173</b>
<b>General Expenses</b>							
Salaries and Wages	\$ 11,061	\$ 897 [c]		\$ 11,958	\$ -		\$ 11,958
Office Supplies & Other Office Exp.	8,841	390 [k]		9,232	-		9,232
Regulatory Commission Exp.	4,714	9,210 [d]		13,924	-		13,924
Pension & Other Benefits	7,360	677 [c]		8,037	-		8,037
Rent	599	26 [k]		626	-		626
Insurance	4,243	-		4,243	-		4,243
Office Utilities	2,168	96 [k]		2,263	-		2,263
Allocation Adjustment	-	(7,765) [m]		(7,765)	-		(7,765)
Miscellaneous	2,414	(188) [j]		2,225	-		2,225
<b>Total</b>	<b>\$ 41,400</b>	<b>\$ 3,344</b>		<b>\$ 44,744</b>	<b>\$ -</b>		<b>\$ 44,744</b>
Depreciation	\$ 10,095	\$ 818 [e]		\$ 10,913	\$ -		\$ 10,913
Taxes Other Than Income	22,488	583 [f]		23,071	229 [f]		23,300
Income Taxes - Federal	(8,784)	11,764 [g]		2,980	6,531 [g]		9,511
Income Taxes - State	426	22 [g]		448	982 [g]		1,430
Amort. Investment Tax Credit	(54)	-		(54)	-		(54)
Amortization of PAA	-	-		-	-		-
Amortization of CIAC	-	-		-	-		-
<b>Total</b>	<b>\$ 24,170</b>	<b>\$ 13,187</b>		<b>\$ 37,357</b>	<b>\$ 7,742</b>		<b>\$ 45,100</b>
<b>Total Operating Expenses</b>	<b>\$ 157,318</b>	<b>\$ 23,956</b>		<b>\$ 181,274</b>	<b>\$ 7,742</b>		<b>\$ 189,017</b>
<b>Net Operating Income</b>	<b>\$ 41,643</b>	<b>\$ (21,002)</b>		<b>\$ 20,641</b>	<b>\$ 12,130</b>		<b>\$ 32,771</b>
Interest During Construction	\$ (1,143)	\$ 1,143 [h]		\$ -	\$ -		\$ -
Interest on Debt	14,424	684 [i]		15,108	-		15,108
<b>Net Income</b>	<b>\$ 28,363</b>	<b>\$ (22,829)</b>		<b>\$ 5,534</b>	<b>\$ 12,130</b>		<b>\$ 17,663</b>

- [a] Revenues are annualized at present and proposed rates using the actual test year customers.
- [b] Uncollectible accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to the pro forma proposed revenues.
- [c] Salaries, wages, and benefits are adjusted to annualize as of 12/31/06. An adjustment of 3.5% to annualized wages has also been included to reflect upcoming increases to salaries. Overtime has been included in the annualized wages. In addition, bonuses have been excluded from pro forma salaries and Operator's expense charged to plant adjustment is included.
- [d] Regulatory expense has been adjusted for the total estimated cost of this case, amortized over two years, in addition to the unamortized amount per year in Docket No. 2005-217-WS.
- [e] Depreciation and amortization expense are annualized to reflect actual and estimated pro forma plant additions, actual and estimated capitalized time additions, and actual and estimated general ledger plant additions at the approved depreciation rate of 1.5% and remove depreciation for items to be removed per order from prior rate case. Depreciation and amortization expense has been adjusted for retirement of certain assets.
- [f] Taxes other than income are adjusted for annualized payroll taxes, utility commission taxes, and gross receipts taxes.
- [g] Income taxes are computed on taxable income at current rates (35% federal and 5% state).
- [h] AFUDC is eliminated for rate making purposes.
- [i] Interest on debt has been computed using a 59.83%/40.17% debt / equity ratio and a 6.60% cost of debt.
- [j] Expenses related to fines and penalties have been removed for ratemaking purposes.
- [k] Adjustment for an estimated increase in certain expenses through the audit date by using CPI of 4.4%.
- [l] Additional transportation expense for newly hired employees.
- [m] Adjustment for 2006 Allocations that were incorrectly recorded to USSC.
- [n] Purchased Water adjusted for allowable purchased water costs in six subdivisions that do not receive pass through treatment.
- [o] Maintenance and Repair Adjusted to remove Deferred Maintenance Amortization recorded.

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 154,921	\$ (133,384)	\$ 21,537	\$ 853,331	\$ 874,868
Gross Plant In Service	11,134,106	-	11,134,106	-	11,134,106
Accumulated Depreciation	(1,934,313)	424,537 [b]	(1,509,776)	-	(1,509,776)
Net Plant In Service	9,199,793	424,537	9,624,330	-	9,624,330
Cash Working Capital	265,221	19,532 [c]	284,753	-	284,753
Contributions In Aid of Construction	(107,639)	-	(107,639)	-	(107,639)
Accumulated Deferred Income Taxes	(705,114)	-	(705,114)	-	(705,114)
Customer Deposits	(128,909)	-	(128,909)	-	(128,909)
Elevated Storage Tank and Other Structures	-	(132,242) [a]	(132,242)	-	(132,242)
Removal of Wells and Structures	-	(126,989) [h]	(126,989)	-	(126,989)
Advances in Aid of Construction	-	-	-	-	-
Plant Acquisition Adjustmen	1,200,820	(1,200,820) [g]	0	-	0
General Ledger Additions/Capitalized Tim	-	487,949 [d]	487,949	-	487,949
Organization Costs	-	(25,417) [a]	(25,417)	-	(25,417)
Deferred Maintenance	-	(28,218) [f]	(28,218)	-	(28,218)
Pro Forma Plant	-	1,259,722 [e]	1,259,722	-	1,259,722
Pro Forma Plant Retirements	-	(192,667) [e]	(192,667)	-	(192,667)
Total Rate Base	\$ 9,724,172	\$ 485,387	\$ 10,209,560	\$ -	\$ 10,209,560
Return on Rate Base	1.59%		0.21%		8.57% [i]

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 113,278	\$ (112,382)	\$ 896	\$ 841,201	\$ 842,097
Gross Plant In Service	10,778,046	-	10,778,046	-	10,778,046
Accumulated Depreciation	(1,883,784)	415,305 [b]	(1,468,479)	-	(1,468,479)
Net Plant In Service	8,894,262	415,305	9,309,567	-	9,309,567
Cash Working Capital	248,578	18,185 [c]	266,763	-	266,763
Contributions In Aid of Construction	(107,639)	-	(107,639)	-	(107,639)
Accumulated Deferred Income Taxes	(667,586)	-	(667,586)	-	(667,586)
Customer Deposits	(122,206)	-	(122,206)	-	(122,206)
Elevated Storage Tank and Other Structures	-	(132,242) [a]	(132,242)	-	(132,242)
Removal of Wells and Structures	-	(126,989) [h]	(126,989)	-	(126,989)
Advances in Aid of Construction	-	-	-	-	-
Plant Acquisition Adjustmen	1,200,820	(1,200,820) [g]	0	-	0
General Ledger Additions/Capitalized Tim	-	468,111 [d]	468,111	-	468,111
Organization Costs	-	-	-	-	-
Deferred Maintenance	-	(21,477) [f]	(21,477)	-	(21,477)
Pro Forma Plant	-	1,153,569 [e]	1,153,569	-	1,153,569
Pro Forma Plant Retirements	-	(192,667) [e]	(192,667)	-	(192,667)
Total Rate Base	\$ 9,446,229	\$ 380,976	\$ 9,827,205	\$ -	\$ 9,827,205
Return on Rate Base	1.20%		0.01%		8.57% [i]

Utilities Services of South Carolina  
Water Operations  
Plant By Categories  
Test Year Ended December 31, 2006

Schedule C  
Page 3 of 6

3011001	ORGANIZATION	174,969
3011000	WATER PLANT	-
3021002	FRANCHISES	8,896
3033020	LAND & LAND RIGHTS (PUMP PLT)	-
3036010	LAND & LAND RIGHTS	239,058
3036089	LAND & LAND RIGHTS (GENERAL PLANT)	-
3042011	STRUCTURES & IMPROVE.(SOURCE SUP)	4,042
3043021	STRUCTURES & IMPROVE.(PUMP.PLT.)	1,620,621
3044031	STRUCTURES & IMPROVE.(WTR. T.P.)	205,745
3072014	WELLS & SPRINGS	1,227,533
3113025	ELECTRIC PUMPING EQUIPMENT	675,620
3204032	WATER TREATMENT EQUIPMENT	329,740
3305042	DISTRIB. RESERVOIRS & STANDPIPES	1,013,864
3315043	TRANSMISSION & DISTRIB. MAINS	3,196,746
3335045	SERVICE LINES	753,060
3345046	METERS	166,431
3345047	METER INSTALLATIONS	53,473
3355048	HYDRANTS	33,747
3391088	UNIFORMS	-
3406090	OFFICE STRUCTURES & IMPROVEMENTS	6,281
3406091	OFFICE FURNITURE & EQUIPMENT	36,192
3466093	TELEPHONES	-
3446095	LABORATORY EQUIPMENT	7,215
3466094	TOOLS, SHOP & MISC. EQUIPMENT	162,680
3466097	COMMUNICATION EQUIPMENT	41,735
3907091	OFFICE FURNITURE & EQUIPMENT	-
3937094	TOOLS, SHOP & MISC. EQUIPMENT	-
3967097	COMMUNICATION EQUIPMENT	-
3917000	TRANSPORTATION	672,122
3406010	MAINFRAME COMPUTER	-
3406020	MINI COMPUTERS	148,276
3406110	COMP SYS COST	-
3406120	MICRO SYS COST	-
1041000	UTILITY PLANT ACQUIRED/DISPOSED	-
	SUB-TOTAL	<u>\$ 10,778,046</u>

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 41,643	\$ (21,002)	\$ 20,641	\$ 12,130	\$ 32,771
Gross Plant In Service	356,061	-	356,061	-	356,061
Accumulated Depreciation	(50,529)	9,232 [b]	(41,297)	-	(41,297)
Net Plant In Service	305,532	9,232	314,764	-	314,764
Cash Working Capital	16,643	1,347 [c]	17,990	-	17,990
Contributions In Aid of Construction	-	-	-	-	-
Accumulated Deferred Income Taxes	(37,528)	-	(37,528)	-	(37,528)
Customer Deposits	(6,703)	-	(6,703)	-	(6,703)
Elevated Storage Tank And Other Structures	-	-	-	-	-
Removal of Wells and Other Structures	-	-	-	-	-
Advances in Aid of Constructor	-	-	-	-	-
Plant Acquisition Adjustmen	-	-	-	-	-
General Ledger Additions/Capitalized Tim	-	19,838 [d]	19,838	-	19,838
Organization Costs	-	(25,417) [a]	(25,417)	-	(25,417)
Deferred Maintenance	-	(6,741) [f]	(6,741)	-	(6,741)
Pro Forma Plant	-	106,153 [e]	106,153	-	106,153
Pro Forma Plant Retirements	-	-	-	-	-
Total Rate Base	\$ 277,944	\$ 104,411	\$ 382,355	\$ -	\$ 382,355
Return on Rate Base	14.98%		5.40%		8.57% [i]

- [a] Rate base is adjusted for previous rate case order in Docket No. 2005-217-W/S.
- [b] Accumulated depreciation is adjusted to reflect actual and estimated general ledger additions, actual and estimated capitalized time additions, and actual and estimated pro forma plant additions and retirements that will all be completed by the estimated time of ORS's audit.
- [c] Cash working capital is calculated based on 1/8 of maintenance and general expenses.
- [d] A pro forma adjustment has been made to include actual and estimated general ledger plant additions and capitalized time that will be complete by the estimated time of ORS's audit.
- [e] A pro forma adjustment has been made to include actual and estimated construction work in progress (pro forma plant and corresponding retirements that will be completed by the estimated time of ORS's audit.
- [f] A pro forma adjustment has been made to remove Deferred Maintenance from Rate Base.
- [g] PAA is removed from Rate Base per rate case order in Docket No. 2005-217-WS.
- [h] Extraordinary retirement for items that were in service at acquisition, and were properly abandoned.
- [i] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

**WATER**

Bill code	Description	Gallage	Usage Charge	Units	BFC	Revenues
130001	5/8" Residential Water	13,021,795	\$ 3.15	2,967	\$ 10.50	\$ 72,172
130002	5/8" Residential Water	13,619,411	2.60	2,799	9.00	60,601
130003	5/8" Residential Water	315,981,605	3.91	58,120	14.39	2,071,835
130005	1" Residential Water	88,220	3.91	17	35.98	957
130007	2" Residential Water	675,524	3.91	18	115.15	4,714
130009	5/8" Residential Water	473,200	3.32	80	8.00	2,211
130011	1.5" Commercial Water	442,000	3.91	10	71.97	2,448
130013	3" Commercial Water	115,900	3.91	2	230.30	914
130070	5/8" Residential Distribution	81,917,783	2.24	15,388	14.39	404,929
130072	1" Residential Distribution	160,030	2.24	33	35.98	1,546
130074	2" Residential Distribution	8,210,100	2.24	198	115.15	41,190
130075	3" Residential Distribution	-	2.24	-	230.30	-
130073	1.5" Residential Distribution	-	2.24	-	71.97	-
0	4" Commercial Water	-	3.91	-	359.84	-
	Total	<u>434,705,568</u>		<u>79,632</u>		<u>\$ 2,663,517</u>

per t/b	\$	2,627,723
difference \$	\$	35,794
difference %		1.36%

**SEWER**

Bill code	Description	Gallonage	Usage Charge	Units	BFC	Revenues
130004	Residential Sewer	-	\$ -	12	\$ 17.51	\$ 210
130022	5/8" Residential Sewer	-	-	4,252	41.39	175,990
130024	5/8" Commercial Sewer	-	-	-	41.39	-
130025	5/8" Mobile Home Sewer	-	-	-	29.74	-
0	5/8" Residential Sewer Collection	-	-	-	26.64	-
0	5/8" Commercial Sewer Collection	-	-	-	26.64	-
Total		-		4,264		\$ 176,200

per t/b	\$	173,215
difference \$	\$	2,985
difference %		1.72%

**WATER**

Bill code	Description	Test Year Gallage	Proposed Usage Charge	Test Year Units	Proposed BFC	Revenues
130003	5/8" Residential Water	343,096,011	5.83	63,966	21.51	3,375,034
130005	1" Residential Water	88,220	5.83	17	53.79	1,428
130007	2" Residential Water	675,524	5.83	18	172.16	7,034
130011	1.5" Commercial Water	442,000	5.83	10	107.60	3,651
130013	3" Commercial Water	115,900	5.83	2	344.32	1,364
130070	5/8" Residential Distribution	81,917,783	3.34	15,388	21.51	604,473
130072	1" Residential Distribution	160,030	3.34	33	53.79	2,309
130074	2" Residential Distribution	8,210,100	3.34	198	172.16	61,490
130075	3" Residential Distribution	-	3.34	-	344.32	-
130073	1.5" Residential Distribution	-	3.34	-	107.60	-
0	4" Commercial Water	-	5.83	-	538.00	-
	Total	<u>434,705,568</u>		<u>79,632</u>		<u>\$ 4,056,784</u>

<b>SEWER</b>			Proposed		Proposed	
Bill code	Description	Gallonage	Usage Charge	Units	Rate	Revenues
130022	5/8" Residential Sewer	-	-	4,264	46.11	196,598
130024	5/8" Commercial Sewer	-	-	0	46.11	-
130025	5/8" Mobile Home Sewer	-	-	0	33.13	-
0	5/8" Residential Sewer Collection	-	-	0	29.68	-
0	5/8" Commercial Sewer Collection	-	-	0	29.68	-
	Total	-		4,264		\$ 196,598

**Utilities Services of South Carolina  
Test Year Ended December 31, 2006  
Customer Growth**

**Schedule F**

**Water**

Actual Customers at 12/31/05	6,809
Actual Customers at 12/31/06	6,854
Projected Customers at 12/31/07	6,899

**Sewer**

Actual Customers at 12/31/05	376
Actual Customers at 12/31/06	376
Projected Customers at 12/31/07	376

BOARD:  
Elizabeth M. Hagood  
Chairman  
Edwin H. Cooper, III  
Vice Chairman  
L. Michael Blackmon  
Secretary



C. Earl Hunter, Commissioner  
*Promoting and protecting the health of the public and the environment.*

BOARD:  
Carl L. Brazell  
Steven G. Kisner  
Paul C. Aughtry, III  
Coleman F. Buckhouse, MD

July 30, 2007

Mr. John M.S. Hoefler  
Willoughby & Hoefler, P.A.  
PO Box 8416  
Columbia, SC 29202-8416

RE: Your letter of July 2, 2007 (copy enclosed)  
PSC application: Utilities Services of South Carolina

Dear Mr. Hoefler:

In the context of a PSC rate case, this letter affirms that this company has the valid DHEC permits to operate these water and wastewater system. The exception in the enclosed list is Arrowhead Estates (drinking water system), which has been consolidated into another permitted system.

I can be reached at 803-898-4157 or at [debessjp@dhec.sc.gov](mailto:debessjp@dhec.sc.gov).

Sincerely,

Jeffrey P. deBessonet, P.E., Director  
Water Facilities Permitting Division

Exhibit C  
Page 1 of 4

<b>System Name</b>	<b>Drinking Water System #</b>
Arrowhead Estates	3250036
Barney Rhett	4650018
Bellmead	0450016
Belmead	3250031
Bridgewater	0450033
Brown Neal	4650047
Brownsboro	4650061
Calhoun Acres	0450014
Cameron Estates	4650059
Carrolton Place	4650062
Carrowoods	4650035
Charleswood	4050008
Charwood	3250035
Clearview	0450026
Country Oaks	4650020
Dobbins Estates	0450058
Dutchman Acres	3250028
Dutchman Shores	3250021
Edgebrook	0450004
Emma Terrace	3250022
Estates of Hilton	3250103
Farm Pond	4650056
Farrowood	4050012
Fieldcrest	0450032
Foxtrail	3250038
Foxwood	4650008
Glenn Village I	3250026
Greenforest	0450006
Harmon Estates	4050011
Haynie Builders	0450063
Hickory Hills	4650025
Hidden Lake(RockHill)	4650040
Hidden Lakes	0450072
Hill and Dale	0450036
Hilton Place	3250072
Indian Cove	3250020
Kim Acres	4650041
Lake Village	3250054
Lakewood	0450065
Lakewood Estates	3250005
Leslewoods	4650051

<b>System Name</b>	<b>Drinking Water System #</b>
Leslie Dale	4660095
Lexington Estates	3250050
Lexington Farms	3250069
Mallard Lakes	4650057
Middlestream	4650052
Milmont Shores	3250025
Murray Lodge	3250013
Murray Park	3250019
Nevitt Forest	0450007
Oakland Plantation	4350006
Oakridge Hunt Club	4050019
Oakwood Estates	0450076
Old Farms	4650042
Olympic Acres	4650053
Parkwood	3250029
Pepperidge	4660101
Plantation / Wintercrest	4650017
Polly Circle	4660073
Purdy Shores	0150014
Raintree Acres	4050015
Ridgewood	4650031
Riverbend	4660103
Sangaree	3260012
Shandon	4650009
Sherwood Forest	0450029
Shilo Quarters	4660092
Silver Lakes / Woodwind	4650034
Southbend	4660100
Spring Lakes	4650012
Springfield Acres	4050006
Surfside	0450066
Tanglewood	4150011
Tanya Terrace	3250023
Towncreek Acres	0450003
Valleymere	4650046
Vanarsdale	3250027
Washington Heights	4050013
Wesleywoods	4650016
Windy Hill	3250057
Windy Run	4650048
Woodbridge	4650028

<b>System Name</b>	<b>NPDES #</b>
Carrowoods	SC0038113
Country Oaks	SC0039217
Foxwood	SC0027146
Shandon	SC0027189

UTILITIES SERVICES OF S.C.  
PO BOX 4509  
WEST COLUMBIA SC 29171-4539



Acct # [REDACTED]  
Due Date 08/11/07 Amount Paid  
Please Pay \$82.19 \$



UTILITIES SERVICES OF S.C.  
PO BOX 4509  
WEST COLUMBIA SC 29171-4539

Service Address Telephone # \_\_\_\_\_ Current # : (803) 548-5457

To insure proper credit, return this portion. Please do not staple, clip, or tape.

\*\*\*\* PLEASE VISIT OUR WEBSITE AT [www.uiwater.com](http://www.uiwater.com) \*\*\*\*

Remittance Address:  
UTILITIES SERVICES OF S.C.  
PO BOX 4509  
WEST COLUMBIA SC 29171-4539

For Service or Billing Inquiries Call:  
803-796-9545 OR 800-367-4314  
To Pay By Credit or Debit Card, Call 1-877-527-7852.  
A Convenience Fee Will Be Charged.

Account Information

Description of Charges

Account # [REDACTED]  
Service Addr. [REDACTED]  
Bill Date 07/17/07 Due Date 08/11/07  
Prior Read 05/31/07 281160  
Current Read 07/01/07 287300  
Usage 6140  
# of days this period 31  
Average daily usage 198  
Average daily water cost \$1.32  
Average daily sewer cost \$1.34  
Last Payment 06/27/07 \$82.35

PRIOR BALANCE \$0.00  
WATER \$38.40  
SEWER \$41.39  
SC DHEC FEE \$2.40

**COPY**

1 1/2% PER MONTH WILL BE ADDED TO  
ALL AMOUNTS NOT PAID BY THE DUE DATE.

PLEASE PAY \$82.19

PLEASE PROVIDE YOUR SERVICE ADDRESS PHONE NUMBER  
ON THE NET REMITTANCE FORM  
SO WE MAY CONTACT YOU IN THE EVENT OF A SERVICE RELATED EMERGENCY.

\*\*\*\*\*

TO HELP US MAINTAIN SECURITY SURROUNDING YOUR DRINKING WATER SYSTEMS,  
PLEASE CALL OUR OFFICE AND THE POLICE IF YOU NOTICE SUSPICIOUS ACTIVITY.

\*\*\*\*\*

PAYMENT OPTIONS -- \$\$\$ -- WE CAN AUTOMATICALLY DRAFT YOUR PAYMENT FROM YOUR  
SAVINGS/CHECKING ACCOUNT FREE OF CHARGE. FOR INFORMATION, CALL OUR CUSTOMER  
SERVICE DEPARTMENT AT THE SERVICE & BILLING INQUIRY NUMBER LISTED ABOVE.

\*\*\*\*\*

TO PAY BY CREDIT, DEBIT (VISA & MASTERCARD) OR ELECTRONIC CHECK, CALL  
1-877-527-7852. PAYMENTS MADE ON ANY VISA CARD THAT CAN BE USED AS A DEBIT  
OR CREDIT CARD WILL BE PROCESSED AS A DEBIT CARD. PAY OVER THE INTERNET BY  
ACCESSING [PAYBYINTERNET.COM](http://PAYBYINTERNET.COM). MAKE INTERNET PAYMENTS TO OUR PARENT COMPANY  
UTILITIES INC. THERE IS A FEE FOR THESE PAYMENT OPTIONS. \*\*\*\*\*

\*\*\*\*\* YOU MUST ALLOW FOR CREDIT/DEBIT CARD PROCESSING TIME. \*\*\*\*\*

\*\* TO ASSURE PROPER CREDIT TO YOUR ACCOUNT FOR ONLINE OR PHONE PAYMENTS, \*\*  
\*\*\*\* PLEASE ENTER YOUR 12 DIGIT WATER/SEWER ACCOUNT NUMBER CAREFULLY. \*\*\*\*

Rate Schedule Available Upon Request

RECEIVED

2007 AUG -6 PM 3:16

SC PUBLIC SERVICE  
COMMISSION

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKETING DEPARTMENT**

**NOTICE OF FILING AND HEARING**

**DOCKET NO. 2007-\_\_\_\_-W/S**

**UTILITIES SERVICES OF SOUTH CAROLINA, INCORPORATED – APPLICATION FOR ADJUSTMENT OF RATES AND CHARGES AND MODIFICATIONS TO CERTAIN TERMS AND CONDITIONS FOR THE PROVISION OF WATER AND SEWER SERVICE**

Utilities Services of South Carolina, Inc. (USSC or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges for the provision of water and sewer service. USSC is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing water and sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2005-217-W/S.

Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. 103-712.4.A and 103-512.4.A (1976, as amended), the Company requests that the Commission approve an increase in its monthly water and sewer service charges as set forth in the Application. Further, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976, as amended), the Company proposes to add language to its terms and conditions for the provision of water service to provide that, for water service to customers not described in the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Waste Water Treatment Facilities, 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), such as irrigation service, the tap fees shall be the same as those for one (1) SFE.

In support of its request for an adjustment in the Company's water and sewer rates, terms and conditions, USSC asserts, among other things, that the proposed water and sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers, comply with standards and regulations set by the Department of Health and Environmental Control and other governmental agencies which regulate the environmental aspect of the Company's business, and earn a reasonable return on its investment and attract capital for future improvements. The Company also asserts that the proposed water and sewer rate increases are necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

A copy of the Application is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Synergy Business Park, Columbia, South Carolina 29210, the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) and is available from John M.S. Hoefler, Esquire, Willoughby & Hoefler, P.A., Post Office Box 8416, Columbia, South Carolina 29202.

**THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW**

**(The complete rate schedule is available from the Company at the above address and on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) )**

**WATER**

Monthly Charges	<b>Current</b>	<b>Proposed</b>
<u>Residential (less than 1" meter)</u>		
Basic Facilities Charge	\$14.39	\$21.51
Commodity Charge	\$3.91 per 1,000 gallons or 134 cft	\$5.83 per 1,000 gallons or 134 cft
<u>Commercial/Residential (for 1" meter or greater)</u>		
Basic Facilities Charge		
By Meter Size		
1" meter	\$35.98	\$53.79
1.5" meter	\$71.97	\$107.60
2" meter	\$115.15	\$172.16
3" meter	\$230.30	\$344.32
4" meter	\$359.84	\$538.00
Commodity Charge	\$3.91 per 1,000 gallons or 134 cft	\$5.83 per 1,000 gallons or 134 cft
<u>Charge for Water Distribution Only</u>		
<u>Residential (for less than 1" meter)</u>		
Basic Facilities Charge	\$14.39	\$21.51 per unit
Commodity Charge	\$2.24 per 1,000 gallons or 134 cft	\$3.34 per 1,000 gallons or 134 cft
<u>Commercial/Residential (for 1" meter or greater)</u>		
Basic Facilities Charge		
By Meter Size		
1" meter	\$35.98	\$53.79
1.5" meter	\$71.97	\$107.60
2" meter	\$115.15	\$172.16
3" meter	\$230.30	\$344.32
4" meter	\$359.84	\$538.00
Commodity Charge:	\$2.24 per 1,000 gallons or 134 cft	\$3.34 per 1,000 gallons or 134 cft

**Docket No. 2007-\_\_\_\_-W/S**  
**Notice of Filing and Hearing**  
**Page 4**

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, SC 29211

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2007-\_\_\_\_\_ -WS**

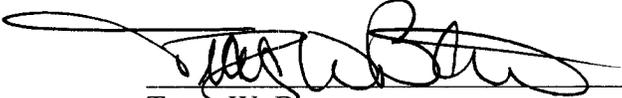
IN RE: )  
)  
Application of Utilities Services of )  
South Carolina, Inc. for adjustment of )  
rates and charges and modifications to )  
certain terms and conditions for the )  
provision of water and sewer service. )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

RECEIVED  
2007 AUG -6 PM 4:46  
SO PUBLIC SERVICE  
COMMISSION

This is to certify that I have caused to be served this day one (1) copy of **Utilities Services of South Carolina, Inc.'s Application** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott  
**Office of Regulatory Staff**  
Post Office Box 11263  
Columbia, South Carolina 29211

  
\_\_\_\_\_  
Tracy W. Barnes

Columbia, South Carolina  
This 6<sup>th</sup> day of August, 2007.